GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3274
ANSWERED ON:21.12.2004
NOTICE TO DRUG UNITS FOR OVERCHARGING
Gadhavi Shri Pushpdan Shambhudan;Thummar Shri Virjibhai

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether National Pharmaceutical Pricing Authority has sent notices to Drug Manufacturing Companies for overcharging especially to M/s. Ranbaxy;

(b) if so, the details of Notices sent and the amount overcharged by each of the manufacturers along with the names of the drugs;and

(c) the details of amount deposited by these companies to the Government separately?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a) to (c): The National Pharmaceutical Pricing Authority (NPPA) was set up by the Government in August,1997. It has been entrusted with the task, inter-alia, to fix prices and notify changes therein, if any, of bulk drugs and formulations, from time to time, under the Drugs (Prices Control) Order,1995 (DPCO,95).

Since the inception of the National Pharmaceutical Pricing Authority (NPPA) in August 1997 and until November, 2004, a demand of Rs.593 crores has been raised for overcharging in 246 cases. Of these, roughly 67% i.e., in 165 cases, companies have fully or partly paid the amounts due. Approximately, Rs.80 crores has been recovered so far.